

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Indonesia: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
1,700.00	372.86	9.69	3.00	2,085.55

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

Indonesia: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	278	4,932.41	13.12
Education	82	2,655.68	7.06
Energy	102	7,300.18	19.42
Finance	69	4,769.16	12.69
Health	46	1,107.94	2.95
Industry and Trade	41	1,664.39	4.43
Multisector	26	1,789.28	4.76
Public Sector Management	116	7,310.05	19.44
Transport	90	3,702.47	9.85
Water and Other Urban Infrastructure and Services	94	2,363.66	6.29
Total	944	37,595.23	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

Indonesia: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007–2018

No. of Transactions Signed	12
	Amount (\$ million)
Loans	1,373.48
Equity Investments	49.28
Guarantees	5.86
Total	1,428.62

ADB operations in Indonesia cover financing and knowledge partnerships in priority areas such as developing quality infrastructure, boosting human resources, and improving economic governance.

INDONESIA

Indonesia was a founding member of the Asian Development Bank (ADB) in 1966, and today it is among the bank's largest shareholders and sovereign borrowers.

The country has made remarkable progress in its social and economic development in the past few decades. Since the 1998 Asian financial crisis, its economy has grown tenfold and per capita income eightfold. Indonesia reached middle-income status in 2004 and became a G20 member in 2008. Poverty levels fell to single-digit levels for the first time in 2018.

Despite this progress, fostering inclusive and sustainable economic growth remains a challenge in Indonesia. Poverty is still significant, inequality and regional income disparities are relatively high, and quality jobs are scarce. To address these challenges, the Government of Indonesia is pursuing an ambitious development agenda that prioritizes development of infrastructure and human resources, social protection, and structural reform.

Since 1966, ADB has committed \$36.68 billion in sovereign and nonsovereign loans, equity investments, and guarantees; \$460.5 million in technical assistance; and \$449.98 million in grants for Indonesia.

Cumulative loan and grant disbursements to Indonesia amount to \$29.09 billion. These were financed by regular and concessional ordinary capital resources, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2018, ADB committed \$1.7 billion in sovereign loans to Indonesia. These loans covered four projects encompassing public expenditure management, economic competitiveness, emergency assistance, and higher education.



In July, ADB committed \$1 billion for two policy reform programs on improving fiscal and public expenditure management and accelerating investments by improving Indonesia's business environment. These programs will contribute to better service delivery at the subnational government level and help strengthen investment-led growth.

In October, ADB provided a \$3 million grant from the Asia Pacific Disaster Response Fund following the earthquake in Lombok in August and the earthquake and tsunami in Palu in September. This funding was used to support emergency relief efforts. In November, ADB committed a \$500 million emergency assistance loan to provide immediate and flexible financing for disaster-related recovery and rehabilitation expenditures and mitigate the adverse social and economic impacts of the disasters.

In December, ADB committed \$200 million to support the upgrading of three of Indonesia's public universities, strengthen staff capacity, implement demand-driven quality education and research, and help the government develop a medium-term higher education investment plan.

In 2018, ADB also committed \$372.86 million in non-sovereign loans to the private sector in Indonesia. ADB financing will help the government achieve its sustainable development targets, including reductions in greenhouse gas emissions, by catalyzing private sector investments in renewable and other clean energy sources.

ADB also provides strategic knowledge support to advance the government's development priorities. In 2018, this included assessing the impacts of contemporary issues such as the advancement of technology and automation, climate change, urbanization, and aging; identifying the policy reforms needed to boost the competitiveness of Indonesia's manufacturing sector; and conducting sector diagnostics in core areas of ADB operations in the country.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure,

the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program and Supply Chain Finance Program.

ADB began cofinancing operations in Indonesia in 1974. Since then,

Indonesia: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2006	-	2
2007	-	3
2008	100.0	2
2009	58.3	12
2010	60.0	5
2011	100.0	2
2012	100.0	5
2013	60.0	5
2014	66.7	3
2015	80.0	5
2016	100.0	1
2017	83.3	6
2018	100.0	2
Total	67.9	53

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Indonesia: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

No. of Ongoing Loans ^a (as of 31 Dec 2018)	17	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	363.39	467.06
Disbursements ^b	789.76	1,830.50
No. of Ongoing Grants ^a (as of 31 Dec 2018)	1	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	-	-
Disbursements ^{b,d}	-	-
Actual Problem Projects (%) (as of 31 Dec 2018)	19	

- = nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

Indonesia: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	30	10,039.42
Grants	3	67.33
Official loans	20	4,302.32
Commercial cofinancing	8	5,669.77
Technical Assistance Grants	28	39.12

^a A project with more than one source of cofinancing is counted once.

Indonesia: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	829.93	8.14	1,865.45	14.87	23,051.64	12.75
Consulting Services	26.53	3.55	9.32	1.34	776.37	6.11
Total Procurement	856.46	7.83	1,874.77	14.15	23,828.01	12.31

Top 5 Contractors/Suppliers from Indonesia Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
Industri Kereta Api (Persero) P.T.	TRA	173.29
Yasa Patria Perkasa P.T. & Budi Bakti Prima P.T. (JV)	TRA	21.28
Pembangunan Perumahan (Persero) Tbk. P.T.	TRA	16.42
Basuki Rahmanta Putra P.T.	ANR	16.02
Sacna-Dutaraya (JV)	ANR	15.90
Others		5,683.75
Total		5,926.66

ANR = agriculture, natural resources, and rural development; TRA = transport.

Top 5 Consultants from Indonesia Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Inacon Luhur Pertiwi P.T.	ANR, EDU, PSM, WUS	7.57
Indra Karya (Persero) P.T.	ANR, WUS	7.24
Trans Intra Asia P.T.	EDU	6.64
Ciriajasa Eng. Consultant	EDU, WUS	3.34
Hatfield Indonesia P.T.	ANR	3.23
Individual Consultants		19.38
Others		25.97
Total		73.36

ANR = agriculture, natural resources, and rural development; EDU = education; PSM = public sector management; WUS = water and other urban infrastructure and services.

cumulative direct value-added official cofinancing commitments for Indonesia have amounted to \$7.41 billion for 59 investment projects and \$209.93 million for 112 technical assistance projects. Cumulative direct value-added commercial cofinancing for Indonesia has amounted to \$6.65 billion for 14 investment projects.

In 2018, Indonesia received \$1.09 billion in loan cofinancing from the Leading Asia's Private Infrastructure Fund (LEAP), KfW, Canadian Climate Fund for the Private Sector in Asia II, and Clean Technology Fund for six investment projects; and \$9.32 million equity from LEAP for one investment project.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/indonesia/cofinancing.

PARTNERSHIPS

ADB partners with a range of Indonesian institutions, including universities and civil society organizations, on knowledge initiatives covering macroeconomic modeling, infrastructure financing and public-private partnerships, financing the [Sustainable Development Goals](#), bond market development, metropolitan spatial planning, and employment diagnostics.

In 2018, ADB collaborated with Bandung Institute of Technology on promoting strategies to close the infrastructure gap in Indonesia, and on promoting the use of carbon capture and storage technology as part of the country's strategy to mitigate greenhouse gas emissions. ADB collaborated with the Social Monitoring and Early Response Unit, a research

institute, to identify challenges to job creation in Indonesia and formulate the policy reforms needed to achieve higher and more inclusive economic growth. ADB also consulted with civil society organizations in relation to the ongoing review process of the country safeguard system.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Indonesia, 35,365 contracts worth \$23.05 billion have been awarded to contractors and suppliers since 1966.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative

procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Indonesia, 4,099 contracts worth \$776.37 million have been awarded to consultants since 1966.

OPERATIONAL CHALLENGES

Indonesia's ambitious infrastructure development and reform program has stretched governmental capacities for project preparation and implementation. Procurement and complex land acquisition processes often cause project delays and, in some sectors, a lack of coordination across different tiers of government complicates approval processes. While Indonesia's legal and regulatory framework for environmental and social safeguards is relatively strong, the capacity to implement such a framework varies between government ministries and agencies. ADB is working closely with government ministries and agencies to address these and other related issues by helping improve procurement regulations and strengthen e-procurement; enhance capacities in project preparation and detailed engineering design; and improve environmental and social safeguard capacities. The bank, in partnership with other development partners, is supporting the government in establishing a center of excellence for training on safeguards.

FUTURE DIRECTIONS

ADB's operational program in Indonesia until 2020 involves about \$2 billion per year of ordinary capital resources for public sector lending, with sustained growth in nonsovereign lending. In

alignment with Indonesia's national medium-term development plan and [ADB's Strategy 2030](#), the bank will continue to build its financing and knowledge partnerships in priority areas such as developing quality infrastructure, boosting human resources, and improving economic governance.

ADB operations in Indonesia take a strategic, long-term, programmatic approach to developing several sectors

of the country's economy—energy, transport, water supply and other urban infrastructure, water resources, irrigated agriculture and rural development, finance, education, health, social protection, and public sector management.

ADB continues to work toward maximizing development impact by introducing international best practices and innovative technologies, and by

further improving efficiency in project preparation and implementation. The bank will also redouble efforts to maximize synergies between sovereign and nonsovereign operations, including the promotion of public-private partnerships in Indonesia.

ABOUT INDONESIA AND ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held:	578,100 (5.434% of total shares)
Votes:	617,797 (4.646% of total membership, 7.143% of total regional membership)
Overall capital subscription:	\$8.04 billion
Paid-in capital subscription:	\$402.08 million

Contributions to Special Funds Resources

Indonesia has contributed to the Asian Development Fund (ADF), which is ADB's window for concessional lending to its borrowing members up to 31 December 2016 and retaining the ADF support as a grant-only operation from 1 January 2017, and to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies, and to the Asian Development Bank Institute (ADBI).

Contributions to the ADF (committed):	\$26.48 million
Contributions to the TASF (committed):	\$2.77 million
Contributions to the ADBI (committed):	\$1.10 million

Sri Mulyani Indrawati is the Governor and **Bambang P.S. Brodjonegoro** is the Alternate Governor for Indonesia in ADB.

Syurkani Ishak Kasim is the Director and **Karen Murray** is the Alternate Director representing Indonesia on the ADB Board of Directors.

Winfried F. Wicklein is the ADB Country Director for Indonesia. The Indonesia Resident Mission was opened in 1987 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Indonesia.

The Indonesian government agency handling ADB affairs is the Ministry of Finance of the Republic of Indonesia.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.

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Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org